This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 001452

SIPDIS

E.O. 12958: DECL: 03/04/2009

TAGS: KWBG KPAL KDEM EAID ECON PGOV PREL IS GAZA DISENGAGEMENT ISRAELI PALESTINIAN AFFAIRS

SUBJECT: POLITICAL/INSITUTIONAL IMPLICATIONS OF A GAZA

PULLOUT

REF: JERUSALEM 0267

Classified By: Ambassador Daniel C. Kurtzer for reasons 1.4(b) and (d).

(U) ConGen Jerusalem cleared this message.

11. (C) SUMMARY: We assess that a complete Israeli withdrawal from the Gaza Strip is unlikely to result either in substantial security turmoil or significant improvement in PA governance in the short-to-medium term. Unlike in the West Bank, the IDF does not maintain a presence within Gaza population centers, but is instead largely stationed around settlements and along borders. Accordingly, withdrawal will have little effect on the existing power structures in those areas and will not lead to a power vacuum. A direct order from Arafat for the security services to band together to deal with Hamas, the only plausible threat to the PA, would probably be effective. There is some evidence of efforts to establish in Gaza joint forces command centers called for in the PA security plan (reftel). Arafat's presence in Gaza, in the view of nearly all Palestinian contacts, would be of immense benefit in imposing order there. For its part, Hamas is probably not interested in taking responsibility for governing, and is unlikely to try to seize control from the more militarily powerful PA forces through violent means. Although Hamas would willingly move into any neighborhoods where it perceives a power vacuum, existing power structures, whether clans or gangs, are likely to hold onto their turf. On the civilian side, performance and delivery of services are unlikely to improve, as the current obstacles to PA reform are little affected by the Israeli presence in Gaza.

This is one of three messages by Embassy Tel Aviv with initial thinking about the implications of an Israeli withdrawal from Gaza. The other two cables address the military/security and economic implications of withdrawal. END SUMMARY.

## PA Security - Rally or Rout?

- 12. (C) We believe the Palestinian Authority has the capability and will to prevent Hamas from taking power in Gaza after Israeli unilateral withdrawal. Arafat is likely to order the necessary steps to maintain PA power, an assessment shared by PLC members Marwan Abdul Hameed and Frayh Abu Middayn.
- 13. (C) There is some evidence now of improved cooperation among the PA security forces. National Security Force (NSF) leaders reportedly have begun meeting to establish the joint forces command centers called for in the PA security strategy (reftel) and to coordinate a unified approach to the Gaza security situation.
- 14. (C) One key variable affecting Arafat's ability to manage the security situation will be his physical presence in Gaza. Palestinian contacts agreed widely that Arafat's presence in Gaza would be of immense benefit in imposing order there, as there is now, in the words of one contact, "no political power in evidence."

Whither Hamas?

15. (C) Hamas, the only faction capable of challenging the PA for control of Gaza, is unlikely to do so, in our assessment. Hamas leaders appear to understand that it is easier to critique the PA from the sidelines while ministering to the population's humanitarian needs, than to take responsibility for governing. While Hamas functions well as a humanitarian NGO at the neighborhood level, it would be a major organizational leap, far beyond its current capabilities, to actually govern the Strip. We believe Hamas will support the PA in administration and local government if the PA tries to govern effectively. As one international contact put it, "Now the players know where they stand, keeping things relatively stable."

PA Governance -- Improvement Unlikely

- 16. (C) The problem, in our assessment, is that Israeli withdrawal from Gaza will not lead in the short/medium term to significant improvement in the performance of PA ministries, which suffer from problems deeper than the occupation. Corruption, fragmentation, a lack of funds and resistance to reform all militate against positive change. As a result, Gaza is most likely to muddle along, with Arafat using the "crisis" to put off making essential structural reforms.
- $\P 7.$  (C) Anecdotal evidence indicates that Palestinian ministries are strapped for cash sufficient to make even minor purchases; lack of fuel for vehicles and repairs of office equipment are often cited as two examples. Furthermore, the attitude among PA workers is described by UNDP/Gaza as one of extreme discouragement; the most commonly quoted reason being that the reforms initiated under Abu Mazen have ground to a halt. Contributing to the attitude problem is the large number of under-qualified workers added to the payroll for political reasons. According to UNDP/Gaza, this problem has a direct, negative impact both on the ministries' ability to make payroll, as well as on the quality and quantity of work that actually gets done. The Ministry of Justice was cited by Gaza attorney Sharhabeel al-Za'eem as particularly bad, a view shared by UNDP/Gaza. Judges work only a few hours per day, and workers, if present, are disinclined to actually do their jobs. The Ministry of Finance, although similarly short on funds, wins praise as one of the better functioning entities in the Gaza Strip, but contacts say that reforms initiated by the MoF are not being supported by the rest of the ministries and government offices.

Abandoned Israeli Resources Could Help

- $\P8.$  (C) Even if the GOI does not hand over settlements and settlements infrastructure directly to the Palestinians, the transfer of intact infrastructure to an international custodian could have an immediate, positive impact on overcrowding and increase the available supply of water to Palestinians. With only about 1,500 housing units in the settlements, the impact on overcrowding would not be great, but settlements land would become available for construction on new housing.
- $\P9.$  (C) To be sure, these resources could prove to be a two-edged sword, as the PA wrestles with the challenge of securing the settlements and distributing settlements resources in an equitable and efficient way. The settlements could well become a source of serious conflict between rival militias and gangs, as well as Arafat cronies. As UNDP/Gaza representative Khalid Abdul Shafi put it, the PA might "squander these resources the way they have squandered all the rest," giving preeminence to Arafat loyalists. Even with a well-organized, transparent and monitored handover, corrupt power brokers may gain control of significant chunks of the resources.
- 110. (C) Many contacts note that the many unanswered questions regarding Israeli withdrawal are hampering the PA's ability to plan, although they admit that planning is not the PA's strong suit. Some PA contacts expect Sharon to engineer a "dead-of-night departure" from Gaza in order to provoke chaos that would spell the demise of the PA. True or not, this Palestinian assumption may become a new mantra and excuse to account for a host of post-withdrawal problems in Gaza.

Visit Embassy Tel Aviv's Classified Website: http://www.state.sgov.gov/p/nea/telaviv

You can also access this site through the State Department's

You can also access to Classified SIPRNET website.

KURTZER